AMES LABORATORY
CONTRACT
DE-AC02-07CH11358

CONTRACT MANAGEMENT PLAN

Rev. 1, Aug 15 2006

Concurrence and Approval

CONCURRENCE:

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Thomas Harrison, Contracting Officer Date
Ames Site Office

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Mike Saar, Facility Representative Date
Environment, Safety & Health and Program Support
Ames Site Office

APPROVAL:

_____

John K. Adachi, Acting Manager Date
Ames Site Office

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Purpose{ TC "**Purpose**" \f C \l "1" **}**

The purpose of this Contract Management Plan (CMP) is to implement an effective team approach to managing the contract for the operation of the Ames Laboratory (henceforth known as the Laboratory) through effective communications and coordination and provide the appropriate level of contract management commensurate with the level of complexity of the contract and involvement by the Ames Site Office (AMSO), Department of Energy (DOE) HQ Office of Science (SC), Chicago Integrated Support Center (ISC), and major customers, throughout the term of the contract. This CMP describes the processes that the AMSO will utilize to assure that the terms and conditions of the Laboratory contract No. DE-AC02-07CH11358 is met by the contractor and DOE. The processes addressed are those necessary to 1) fulfill the Government's contract management responsibilities and 2) ensure that the Contractor's performance is adequately monitored and documented. This responsibility shall be carried out utilizing the appropriate AMSO processes and procedures to produce desired results, prioritize activities, and build confidence and satisfaction among customers, regulators, and stakeholders. In addition this plan also addresses how Government actions should be appropriately implemented and documented. This CMP is intended solely to provide information and shall not be construed to create any rights or obligations on the part of any person or entity, including the Contractor and its employees. This CMP is not intended to be either prescriptive or inclusive of all necessary actions for execution of the contract.

Contract management is defined as those functions specified in FAR, Subpart 42.3. Typical contract management functions specified within the FAR/DEAR include, but are not limited to:

- Contract Administration and Audit Services specified in FAR Part 42;
- Cost Accounting Standards Administration specified in FAR Part 30;
- Contract Modifications specified in FAR Part 43 and contract clause entitled, "Changes;"
- Subcontracting requirements specified in FAR Part 44 and the Contract clauses entitled, "Administration of Subcontracts," "Small Business Subcontracting Plan," "Contractor Purchasing System," and clause "Competition in Subcontracting;"
- Government property regulations specified in FAR Part 45 and the contract clause entitled "Property;" and
- Budgeting and obligating funds specified in contract clauses entitled, "Obligation of Funds" and "Payment and Advances."

DOE enters into contracts as a means of accomplishing its missions. DOE defines the work to be accomplished, and evaluates the Contractor's performance. Performance oversight refers to those tasks or actions that are necessary to complete the government's contract commitments (e.g., oversight of Contractor management of projects, establishment of AMSO specific requirements, budget and cost oversight, formulation and transmission of customer (DOE and other) requirements/needs of the Contractor, etc. This

assessment includes confirmation that the Statement of Work (SOW) is adequate as written or, when necessary, modified when contract/mission changes are identified. The AMSO is also responsible for approving annual work scope direction and budgets.

The Contract{ TC "**The Contract**" \f C \l "1" **}**

The Laboratory contract is a cost-plus award-fee, performance-based Management and Operating (M&O) contract, subject to the appropriate provisions of the FAR and DEAR. The current prime contractor for the Management and Operations of the Laboratory is Iowa State University (ISU), referred to as the Contractor. The contract to manage and operate the Laboratory was extended in December of 2004 through December 31, 2006, unless terminated sooner as provided for by the Contract. The total contract value is estimated at $55 million over the two year term of the contract. As the M&O Contractor, ISU is responsible for the management of Laboratory programs/projects, maintaining and enhancing the facility, equipment, and business infrastructure, and "enhancing" Laboratory capabilities to meet current and future government science and technology needs.

The Laboratory contract is based on the principles of performance-based contracting as implemented for an M&O contract. Performance-based contracts are an important tool supporting the Government Performance and Results Act of 1993, which emphasizes strategic planning, performance goals, and assessing outcomes against those goals. Key elements of a performance-based contract are clearly stated and utilized within the Laboratory contract, including outcome-oriented performance measures and focusing on DOE's goals and objectives for the Laboratory. The contract is structured as follows:

Section	Description
A	Award Form
B	Supplies or Services and Prices/Costs
C	Description/Specifications/Work Statement
D	Packaging and Marking
E	Inspection and Acceptance
F	Deliveries or Performance
G	Contract Administration Data
H	Special Contract Requirements
I	Contract Clauses
J	List of Documents, Exhibits and Other Attachments
Appendices	**Description**
A	Reserved
B	Performance Evaluation and Measurement Plan
C	Special Demand Deposit Account

D	Budget Program
E	Reserved
F	Reserved
G	Purchasing System Requirements
H	Small Business Plan
I	DOE Directives and Ames Laboratory Work Smart Standards Set
J	Treaties and International Agreements/Waived Inventions
K	Reserved
L	Use of Space in Contractor-Owned Building
M	Contract Guidance for Preparation of Diversity Plan

The Laboratory Mission{ TC "**The Laboratory Mission**" \f C \l "1" **}**
The DOE-SC, Ames Laboratory (Ames) is a government owned Laboratory operated by Iowa State University (ISU), it's current contractor, on the university campus located in Ames, Iowa. The Laboratory's mission within the SC's Basic Energy Sciences is to provide key advances in materials science research, especially in materials theory, synthesis and characterization, of benefit to DOE missions

Beginning in 1947 as part of the Manhattan Project, Ames Laboratory today provides expertise to the DOE Laboratory system in materials science, engineering, analytical instrumentation and chemical sciences, with applications in energy, human health and environmental improvement. Ames laboratory operates the Materials Preparation Center (MPC), a DOE facility that provides the highest purity materials to the research community. The Laboratory receives international recognition in such fields as condensed-matter physics, analytical chemistry, metallurgy, solid-state inorganic chemistry, catalytic science, instrument development and cluster computing; and is noted for assembling world-class teams of researchers representing various disciplines to solve large multifaceted problems facing the nation such as energy and the environment.

Materials sciences have historically been a broad strength at Ames where scientists' foci range from synthesis and processing of rare-earth materials with unique purity, structures and properties, to finding new synthetic routes to known and unknown materials including metastable oxides, nitrides and silicides of metals, ductile intermetallics, electroluminescent organic materials and electrocatalysts. Ames is the recognized center of quasicrystal research in the U.S. Ames scientists have developed a novel, high-pressure gas atomization process that produces microscopic metal powders to produce a variety of important materials from lightweight structural composites to permanent magnet materials. Other focuses include high-Tc superconductors, bioinspired materials, and magnetic molecules. Ames leads the world in the theoretical design of novel

optical materials including photonic band gap crystals and “left-handed” materials. In the chemical sciences, researchers are studying the chemical kinetics and reactivity of transition metal complexes, new synthetic routes to inorganic catalytic materials and molecular "stepping stones", to contribute to the ultimate goal of performing chemical transformations with minimum energy requirements and zero waste generation. Ames has a longstanding strength in the development of analytical instrumentation of ever greater sensitivity and increased throughput. Commercial examples of Ames-developed instrumentation can be found in analytical labs around the world. Despite the fact that Ames is largely dedicated to fundamental research, it recognizes practical applications, such as the recently developed lead-free solder and highly successful commercialized separations technologies. Normalized to current funding levels, its licensing program is one of the most successful within DOE.

The Laboratory’s primary DOE customer is SC. Additional DOE partners include the Offices of Fossil Energy, Energy Efficiency and Renewable Energy, and Nonproliferation and Verification. The main non-DOE federal partners are the National Institutes of Justice, which has provided funds for the Midwest Forensics Research Center, and the National Institutes of Health. Secondary partners include the Department of Defense, the Federal Bureau of Investigation, and various corporate entities, specifically, metals manufacturers, automakers and agri-business.

The Contract statement of work (Part I, Section C of the prime contract) provides a generic summary of current Laboratory programmatic efforts. The contract statement of work is not intended to be all-inclusive or restrictive, but provides a broad framework and general scope of the work to be performed at the Laboratory. Furthermore, the contract statement of work does not represent a commitment to, or imply funding for, specific projects or programs.

Contract Summary Information:
Contractor Name: Iowa State University

Contract Number: DE-AC02-07CH11358

Contract Title: Management and Operation of the Ames Laboratory

Performance Period (BASE): 1/01/2007 thru 12/31/2012

Contract Value: Estimated $25-30M Annually

Contract Type: Cost Reimbursement Contract with Performance-Based Management Provisions. The management and operation of the Ames Laboratory is being competed. The new contract has an award term incentive.

Contractor can earn up to an additional 15 years of contract term thereby extending the period of performance through December 31, 2027.

Ames Laboratory Request for Proposal is available for viewing at http://www.ch.doe.gov/

Laboratory Operating Envelope{ TC "**Laboratory Operating Envelope**" \f C \l "1" **}**
Paragraph C.4 of the Contract Section C summarizes the overall operating envelope for the Laboratory. Specific provisions of the Contract regarding management and operational requirements are established to be consistent with the operating envelope and assignment of programs/projects. Operating requirements outside the established envelope require review by DOE and may require a modification of relevant Contract terms and conditions. To assure proper control of classified and hazardous work, without imposing unnecessarily burdensome requirements on low risk activities or facilities, a graded approach to establishing requirements and oversight of work shall be applied.

Facilities{ TC "**Facilities**" \f C \l "1" **}**
Ames occupies 330,000 gross square feet in government-owned buildings located on 10 acres of University land, originally leased to the federal government on a long-term (99-year) basis. As of 2006 the Ames Laboratory long-term lease has forty years remaining. The facility is integrated into the ISU campus in such a way that ISU provides and maintains the site-wide infrastructure (e.g. heating plant, chilling plant, roads, sidewalks, parking and grounds). The government-owned buildings at Ames are adjacent to, or even physically connected by hallways, to University-owned buildings. Ames Laboratory has 12 buildings and two real property assets categorized as Other Structures and Facilities (OSF). The buildings include three Laboratory buildings, one office building, three shop buildings and five storage buildings.

The Ames Site Office Organization{ TC "**The Ames Site Office Organization**" \f C \l "1" **}**
The AMSO has primary responsibility for providing work scope direction to the Contractor and provides contract management, performance oversight and contract administration activities as appropriate. The specific roles and responsibilities are provided under the Roles and Responsibilities of this plan.

SC Integrated Support Center (ISC) and Other Support Assignments{ TC "**SC Integrated Support Center (ISC) and Other Support Assignments**" \f C \l "1" **}**
In order to successfully fulfill its responsibilities to SC, the AMSO requires support from ISC personnel to augment AMSO skills and to provide specialized assistance when needed skill sets do not reside in the AMSO organization. Such support skills as technical services, human resources, personal property management, real property, contracts, information technology, budget/finance, and legal may be necessary from time to time to ensure successful execution of

contract management activities. Access to these resources is gained through ISC personnel. Site Office personnel that are working specific actions determine what advisory service from ISC may be needed.

Contractor Key Personnel{ TC "**Contractor Key Personnel**" \f C \l "1" **}**
As indicated within the contract clause entitled “Key Personnel”, the Contractor’s key personnel are considered essential to the work being performed within the Laboratory under the current contract and to the overall success of the Laboratory. The current listing of the Contractor’s key personnel, by position, include(s):

1) Laboratory Director;

Before removing, replacing, or diverting any personnel occupying the above listed positions, the Contractor must notify the Contracting Officer, providing justification for the change (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the contract, and receive written approval from the CO.

Performance-Based Contracting{ TC "**Performance-Based Contracting**" \f C \l "1" **}**
The contract utilizes a performance-based management system, monitored through an Assurance Process (which includes Self-Assessment among other things), and the Performance Evaluation and Measurement Plan (PEMP) (see the Performance –Based Management section of this plan), to measure progress of the Contractor in satisfying the Statement of Work, clauses and other terms and conditions of the contract. The performance-based fee earned is linked to the overall performance of the Contractor in meeting mission requirements and ES&H, business management, operational and other aspects of the management and operations of the Laboratory. This process ensures that the Contractor is properly motivated and consistent with DOE missions, values, and the achievement of the strategic outcomes (see Section J, Appendix B, and the clauses entitled “Performance Based Management and Oversight,” “ Standards of Contractor Performance Evaluation”, “Total Available Fee: Base Fee amount and Performance Fee Amount,” “Conditional Payment of Fee, Profit, or Incentives, and clause “Payments and Advances” of the contract for further information regarding fees). The AMSO approach to Fee Administration is discussed in the Determination of Performance-Based Fee section of this plan.

Performance-based management for this contract includes clearly identifying the goals and outcomes, which will lead to the overall success of the Laboratory in meeting customer needs; determining performance objectives for meeting them; deciding what to measure and the appropriate data collection methods; establishing challenging yet realistic performance expectations; maintaining operational awareness; and, collecting performance data, assessing actual performance against expectations, and using the results to improve performance.

This process is managed as a combined effort led by the AMSO, in coordination with the SC Program Offices. The following principles govern the application of performance-based management for this contract:

a) Performance-based management, which primarily focuses on results (outputs and outcomes), is used at all levels to plan, oversee, evaluate, and reward Contractor performance.
b) Standardized Goals and Objectives have been developed and issued by SC for utilization throughout the SC Laboratory complex. Measures that provide indication of the contractor's success in meeting a particular objective are established in partnership between AMSO, SC, Program Offices and the Contractor. The goals, objectives and corresponding measures linked with and support, strategic, multi-year, and annual goals of the Contractor, and they become contractually binding upon incorporation into the contract (Appendix B) by a contract modification issued by the CO.
c) Resource decisions, including annual budget requests, are established and justified based on well-documented needs, previously achieved results and expected future workload and outcomes.
d) The Contractor's self-assessment is established by the Contractor, in partnership with the appropriate points-of-contact from the AMSO, SC, ISC, other customers, and may include stakeholders (both external and internal), and are captured within the Contractor's chain of management self-assessments. The Contractor's self-assessment is a key tool used at all levels to assess and evaluate results and to improve performance and a key component of the Contractor's Assurance Process. DOE assessment and evaluation includes operational awareness (daily oversight), programmatic and operational reviews, and "For Cause" reviews.
e) Performance results are used to improve on-going efforts, and to hold the Contractor accountable.
f) Ames Laboratory FY 2007 Request for Proposal offers Award Term Incentives to the successful contractor. The base term of the contract is five years. The proposed contract contains a non-monetary performance incentive which will allow the selected offeror to earn up to an additional fifteen years of contract term for exemplary performance. (Please refer to section F, Clause F.2 of Ames Contract/Solicitation)

Partnering{ TC "**Partnering**" \f C \l "1" **}**

An integral element of the AMSO's contract management approach is the concept of "partnering" with the Contractor. "Partnering" is described below:

> Partnering is the creation of an owner-contractor relationship that promotes achievement of mutually beneficial goals. It involves an agreement in principle to supportively achieve the Laboratory missions.

> Partnering is not a contractual agreement, nor does it create any legally enforceable rights or duties. Rather, partnering seeks to create a cooperative attitude in completing the work. To create this attitude, each party must seek to understand the goals, objectives, and needs of the other--their "win" situation--and seek ways that both parties' objectives can overlap. Partnering does not relieve the Contractor of its obligation to perform according to the terms of the contract; nor does it relieve the Contractor from the consequences of failing to perform. "Partnering" also does not diminish AMSO's responsibility for oversight of the contractor.

Partnering is an important aspect in developing annual goals, objectives and measures that are documented within the contract performance evaluation and measurement plan. With mutual outcomes and objectives established, DOE and the Contractor have committed to work together in achieving the desired results for all identified goals.

Partnering will be achieved through establishment of aligned objectives, regular interaction with the Contractor via the Contractor's self-assessment process, routine meetings with appropriate persons, verbal and written communications and conduct of surveillances.

Roles and Responsibilities{ TC "**Roles and Responsibilities**" \f C \l "1" **}**
The following sections identify key individuals and/or organizations directly or indirectly responsible for the management, administration and performance oversight of the contract and generally describe the corresponding roles and responsibilities. In carrying out these responsibilities the individuals and/or organizations described below will work together to ensure the consistent dissemination of information/direction to the contractor and that such information/direction is inline with DOE HQ and AMSO policies/strategies. A number of vehicles are utilized to carryout this coordination to include, but not limited to, regularly scheduled staff meetings within AMSO and conference calls with SC HQ (to include the HCA); procedures and guidance issued by SC HQ and the AMSO; and this Contract Management Plan.

The Director Office of Science (SC-1)**{** TC "The Director Office of Science (SC-1)" \f C \l "2" **}**

The Director of the Office of Science is alsothe Under Secretary for Science, and is therefore by statute, the science advisor to the Secretary of Energy. The duties and responsibilities of the Director of the Office of Science, as provided in the Department of Energy Organization Act (Public Law 95-91, as amended) include:

> Sec. 209. (a) There shall be within the Department an Office of Science to be headed by a Director, who shall be appointed by the President, by and

with the advice and consent of the Senate….

b) It shall be the duty and responsibility of the Director -- 1) to advise the Secretary with respect to the physical research program transferred to the Department from the Energy Research and Development Administration; 2) to monitor the Department's energy research and development programs in order to advise the Secretary with respect to any undesirable duplication or gaps in such programs; 3) to advise the Secretary with respect to the well-being and management of the multipurpose laboratories under the jurisdiction of the Department, excluding laboratories that constitute part of the nuclear weapons complex; 4) to advise the Secretary with respect to education and training activities required for effective short- and long-term basic and applied research activities of the Department; 5) to advise the Secretary with respect to grants and other forms of financial assistance required for effective short- and long-term basic and applied research activities of the Department; and 6) to carry out such additional duties assigned to the Office by the Secretary relating to basic and applied research, including but not limited to supervision or support of research activities carried out by any of the Assistant Secretaries designated by section 203 of this Act, as the Secretary considers advantageous. [42 U.S.C. 7139]

The Director of the Office of Science is responsible for setting the overall strategies, and policies for the DOE S&T program, operational, and support activities to include those at the Laboratory. These responsibilities include, but are not limited to, the management of the program direction and infrastructure budgets, and setting of Laboratory, ES&H, and safeguards and security policy for SC within the framework set by the Department, and is carried out through the various SC program, operational, and support offices that make up the SC HQ organization.

SC Chief Operating Officer{ TC "SC Chief Operating Officer" \f C \l "2" } (SC-3)

The SC Chief Operating Officer or designee, as the Head of Contracting Activity (HCA), has full contracting officer authority and is fully responsible for all SC Laboratory contracts to include the Contract for the management and operations of the Ames Laboratory. The HCA has redelegated contracting authority through the appointment of Contracting Officers (COs) for pre-award and post-award activities. The HCA concurs on the Laboratory performance elements and the final performance evaluation rating for each evaluation period as well as the amount of performance-based fee to be awarded to the Contractor. The SC Chief Operating Officer or designee has the authority to stop any work activity, add work, and/or withdraw work.

Ames Site Office Manager{ TC "Ames Site Office Manager" \f C \l "2" }

The Site Office Manager provides the SC on-site presence and is responsible for implementing DOE-HQ policy and direction. The Site Office Manager has line management authority and responsibility to integrate administrative and operations requirements into program missions. These responsibilities include: a) sets and communicates expectations, integrates DOE requirements, authorizes funds, and provides feedback to the contractor, b) monitors overall operations, reviews and approves work and coordinates activities related to assigned programs and projects, c) maintains and protects Federal assets, d) manages the Site Office staff and administrative systems to assure effective operations, and executes responsibilities as Contracting Officer (CO).

The site Office Manager has been designated as the Administrative Contracting Officer (ACO) for this contract. As such the AMSO Manager has all the administrative authorities as the CO below and has primary responsibility for providing workscope direction to the Contractor and provides contract management, performance oversight and contract administration activities as appropriate. In general the AMSO Manager shall rely on the CO for the issuance of the majority of “day-to-day” contract directions, modification and/or correspondence, to the contractor.

AMSO Contracting Officers{ TC "Contracting Officer" \f C \l "2" } (CO)

Contracts may be entered into and signed on behalf of the Government only by COs. The CO has the delegated responsibility and authority to bind or commit the Government only to the extent of the authority delegated to them. These responsibilities include all activities necessary to solicit, negotiate, award, administer, eliminate and make related determinations and findings within their scope of authority. The following officials have CO authority for AMSO:

- Roxanne Purucker, Site Office Manager
- Thomas Harrison, AMSO CO

AMSO Facility Representative{ TC "AMSO Facility Representative" \f C \l "2" }

The Facility Representative,has responsibility for ensuring work at Ames Laboratory is performed within the facility's safety envelope, identifying and evaluating safety and health issues and concerns, diagnosing root causes, assuring the adequacy of communications between Ames Laboratory and DOE/CH AMES, identifying both short term compensatory measures and

ultimate solutions, and following problem resolutions to satisfactory implementation. AMSO Facility Representatives shall assist the AMSO Manager and CO in providing oversight of operations to ensure that the facilities are operated in a safe, healthy, and environmentally acceptable manner in accordance with DOE Orders and other requirements.

Certified Reality Specialist{ TC "Certified Reality Specialist" \f C \l "2" }

The ISC provides support to the AMSO in the area of real property management, to include the Certified Realty Specialist who provides the review and approvals required to acquire, manage, and dispose of real property. The Certified Realty Specialist will provide all approvals and recommendations to the AMSO. In accordance with regulations and DOE guidance, only the Manager/CO can provide approval of real estate actions to the Contractor.

Personal Property Management

The Site Office Manager is responsible for establishing oversight functions that are necessary for the personal property management program. The service of the ISC Property Administrator ensures the standards, practices, contract requirements and performance expectation of the contractor is in compliance with the DOE Personal Property Management Program. In accordance with regulations and DOE guidance, only the Manager/CO can provide approval of personal property management actions to the Contractor.

The Office of Inspector General{ TC "The Office of Inspector General" \f C \l "2" } (OIG)

The OIG is responsible for performing contract audits for the DOE, and providing accounting and financial advisory services regarding the AMSO prime contract. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts.

Contracting Officer Representative (COR)

The COR has primary responsibility for providing technical direction to the Contractor and also performs contract management, performance oversight and contract administration activities with support from appropriate AMSO management and staff. Other CORs may be designated at the discretion of the AMSO Manager to execute specific functional roles and responsibilities in support of the contract.

The COR is responsible for providing technical direction to the Contractor in accordance with contract CLAUSE I.86 – entitled “DEAR 952.242-70 TECHNICAL DIRECTION”. The contractor will receive a copy of the written COR designation from the contracting officer. It will specify the extent of the COR's authority to act on behalf of the contracting officer. Currently there is not a designated COR assigned to the AMES Contract.

Communicating with the Contractor{ TC "**Communicating with the Contractor**" \f C \l "1" **}**

Since there are varying degrees of contract authority, both formal and informal communication protocols have to be carefully followed by all parties to prevent the misapplication of contract effort and direction. As the sole line organization responsible for the performance oversight and administration of the Laboratory contract, all AMSO communications with formal direction (with the exception of items that are the exclusive responsibility of the ACO/CO) shall be issued to the Contractor through the Site Office Manager or CO as appropriate.

Formal Communications

Formal communication occurs between individuals who are authorized to represent the contracting parties. The Site Office Manager, AMSO Contracting Officer, AMSO Facility Representative and (when assigned) the designated COR(s) have been appointed and designated to administer and manage the AMSO contract for the DOE.

Formal communication consists of written letters, email transmission as well as oral communication when it is followed up in writing. Both the Contractor designated representative and DOE shall indicate the appropriate citations in the subject line of the document in conformance to Clause D.2 entitled, “Marking” which requires the author to identify the contract requirement or other instruction which requires the delivered item(s). The Site Office Manager and/or the CO must be on concurrence for all correspondence to the Contractor and receive a copy when issued. Only the CO has the authority to interpret the contract terms and conditions or make changes to the contract.

Informal Communications

Informal communications can occur between any AMSO and any Contractor employee. This type of communication is non-binding for both the Government and Contractor and does not constitute contract direction (i.e., formal communication). Informal communication can take the form of electronic mail (e-mail, internet, etc.), retrievable databases, telephone, facsimile, presentations, meetings, and any other means.

Informal communications are encouraged and expected from AMSO staff and management in performance of their oversight responsibilities with the

Contractor. In their informal communications, AMSO employees need to avoid the impression that the communications are formal. Particularly, when engaging in informal communications, they must be careful to identify those communications as non-binding. AMSO staff should inform the Contractor as to whether or not the communications are formal or informal, and the Contractor should inquire to determine if the communication is formal direction.

Non-AMSO Communications

The Contractor will be required to communicate to other than AMSO employees in conjunction with its responsibilities and work scope. The following parties, though not limited to, are most likely to be involved: DOE-HQ; ISC; other Federal Government agencies; and the general public. Because these entities are outside of the contractual relationship between AMSO and the Contractor they are limited to informal communications only. They may not provide direction to the Contractor or issue any changes to the scope or terms and conditions of the contract. It is expected that these other sources of communication will be coordinated and/or monitored by AMSO staff.

CONTRACT MANAGEMENT

{ TC "**Contract Management**" \f C \l "1" **}**

This section provides a general description of contract management activities required to ensure contract requirements are being met and performance is meeting expectations. It does not capture every action that the DOE will need to complete in successful management of the contract. It does however, set forth the higher-level requirements and describes the overall process within which the tasks are performed. These activities are the responsibility of the AMSO with support from appropriate ISC and DOE-HQ organizations and include oversight of the Contractor's implementation of all contract requirements.

Contract administration activities are cited in FAR Subpart 42.3. Of major importance in contract management is the coordination and monitoring of the regulatory, technical, quality, safety, security, and business requirements to ensure that the Contractor performs to the requirements and the terms and conditions of the contract. The following subsections, which are not all-inclusive, highlight these management and administration activities and represent some of the more critical areas in the execution of the Laboratory contract management.

Contract Direction**{** TC " Contract Direction" \f C \l "2" **}**

The following subsections describe some tasks or direction actions not specifically called out in the FAR, but that are necessary to complete the

government's contract commitments. These contract direction tasks are covered here to ensure that it is recognized in this plan that the AMSO is responsible for more than just the contract administration contracting actions for the Laboratory contract. For example,

Statement of Work (SOW) Summary

The Laboratory contract SOW is the fundamental work description of the contract and establishes the basis and boundaries by which all other work direction is prepared. Changes to the SOW are accomplished through formal contract modifications issued by the CO.

The SOW, Section C.4 of the contract, sets forth the work the Contractor is required to perform. Specific workscope is provided to the Contractor through the Work Authorization process described in the Work Authorization Section of this contract management plan. The remainder of the contract specifies the terms and conditions under which the Contractor is to perform the work.

The Contractor shall, in accordance with the provisions of the contract, accomplish the missions assigned by DOE; and perform the work described in the SOW by providing the intellectual leadership and management expertise necessary and appropriate to manage, operate, and staff the Laboratory. Management of the Laboratory includes operation of both Government-owned and leased, and Contractor-owned and leased facilities as provided for in the operating contract, to the extent such facilities are used for DOE work. The Contractor shall maintain and enhance the Laboratory's core technical capabilities and carry out appropriate public outreach activities consistent with its mission.

Multi-Year Laboratory Strategy{ TC "Multi-Year Laboratory Strategy" \f C \l "2" }

The Laboratory Strategy annually documents the Laboratory's mission and establishes mission-level strategic objectives as well as programmatic strategies covering a five-year period. The Laboratory Strategy is developed through mutual consultation between the AMSO, HQ program offices, and the Contractor. The Laboratory's long-term strategy is presented to DOE in the form of Institutional and/or Business Plans. The requirement for the annual development of a Laboratory Strategy is found within clause H-2 "Long-Range Planning, Program Development and Budgetary Administration."

The Laboratory Strategy, as called for by the prime contract, is to capture a compelling five (5) year vision for the Laboratory, mission/major program description, and a work plan that describes how the Contractor will accomplish the vision.

Technical direction{ TC "Technical direction" \f C \l "2" }

Technical direction is issued by the Contracting Officer or the Site Office Manager in executing their respective areas of responsibility. Technical direction shall be issued in accordance with the requirements set forth in Clause I.86 entitled, “Technical Direction”, of the prime contract. Technical direction must be within the scope of the SOW as stated in the contract and is primarily issued in writing through the formal communication process mentioned above. Non-ACO as well as non-AMSO individuals or organizations cannot give technical direction, without appropriate delegation from the CO.

The term “Technical Direction” in accordance with clause I.86 is defined as follows:

a) Providing direction to the Contractor that redirects contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the contractual Statement of Work.
b) Providing written information to the Contractor that assists in interpreting drawings, specifications, or technical portions of the work description.
c) Reviewing and, where required by the contract, approving, technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government.

Stop Work Order{ TC "Stop Work Order" \f C \l "2" }

In accordance with FAR 42.1303 situations may occur during contract performance that may cause the Government to Stop Work. Under the guidance of DEAR 970.5223-1 entitled, “Integration of Environmental Safety, and Health into Work Planning and Execution”, the Site Office Manager/Contracting Officer may issue a Stop Work Order if the contractor fails to correct Laboratory conditions that could substantially harm or pose a danger to the environment, employees or the public. However, according to DOE O 440.1A, Attachment 2 (7) when the AMSO staff or the contractor’s employee’s are exposed to imminent danger conditions or other hazardous situations procedures must be in place to ensure Stop Work Authority is exercised in a justifiable and responsible manner.

Work Authorization{ TC "Work Authorization" \f C \l "2" }

Authorization to the Contractor to proceed with work will be provided through approved work authorization (multi-year work plans, work authorization statements, interoffice work orders, request for services, etc.) for the work elements in the SOW or, as appropriate, revisions to the plans. Work is not

authorized to commence until the Contractor receives both funding (via a contract modification) and the related work authorization guidance. The AMSO Work Authorization Procedure shall be utilized for official authorization of specific programs/projects.

Laws, Regulations and DOE Directives{ TC "Laws, Regulations and DOE Directives" \f C \l "2" }

The contract clause entitled Laws, Regulations and DOE Directives indicates that the Contractor must comply with the requirements of applicable Federal, State, and local laws and regulations, unless relief has been granted, in writing, by the appropriate regulatory agency. The clause also states that a list of applicable laws and regulations may be appended to the contract; however, no such list has been appended to this Contract. Omission of this list does not affect the obligation of the Contractor to comply with any applicable law or regulation pursuant to the above mentioned clause.

Listings of DOE Directives Contractor Requirements Documents (CRDs) applicable to this contract are provided in Section J, Appendix I of the contract. The CO shall review and determine applicability of new or changed directives to the Laboratory contract, and incorporate such directives into Appendix I appropriate. Reviews of new or changed directives by the cognizant CO occur as needed. However, the CO shall periodically (at least annually) review and update the listing of applicable DOE Directives CRDs to ensure that they are complete and current. New or modified requirements, applicable to this contract, shall be issued to the Contractor, in writing, in accordance with contract clause I.93 entitled “Laws, Regulations, and DOE Directives.”

> Clause H-16 “Application of DOE Contractor Requirements Documents” also provides for the substitution of a CRD with an alternative procedure, standard, system of oversight, or assessment mechanism. This process is the key implementing vehicle of the new contract’s principle of relying primarily on Federal, State, and local laws, regulations, and national standards to establish Contractor requirements and performance criteria, while minimizing the use of DOE Orders and directives. The contractor’s ability to incorporate alternative procedures, with CO approval, allows for an effective strategy for cost reduction by removing non-value added directives/requirements.

Dispute{ TC "Dispute" \f C \l "2" }s

This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C 601-613). Except as provided in the Act, all disputes arising under or related to this contract shall be resolved under the clause I-53 “Disputes.”

However, it is the Government's policy to try to resolve all contractual issues by mutual agreement at the CO's level, without litigation. Both the CO and the Contractor are to explore all reasonable avenues for a negotiated settlement in order to avoid disputes. When all possibilities for negotiation have failed, the CO and the Contractor will, where appropriate, endeavor to move the potential dispute to Alternate Disputes Resolution (ADR) as called for within paragraph (g) of the contract clause I-53 entitled "Disputes." Should the Contractor refuse an offer for ADR, the Contractor must provide the CO, in writing, the specific reasons for rejecting the offer. Should DOE or the Contractor be unable to satisfactorily resolve the dispute using ADR or cannot agree on its application, they shall resume the formal process authorized in the contract clause I-53 "Disputes" cited above. The CO shall be informed of any pending dispute no matter what stage of resolution it is in.

Termination{ TC "Termination" \f C \l "2" }

Terminations, partial or complete, may become necessary at some point during the contract period of performance. The contract includes the "Termination" clause (I-65), which provides the essential framework. Terminations can be either for the convenience of the Government or a consequence of the Contractor's default of the contract. The CO determines that a termination is in the Government's interest.

Contractor Human Resources Management{ TC "Contractor Human Resources Management" \f C \l "2" }

The requirements for oversight of Contractor Human Resource Management (CHRM) Programs are found within Appendix A, of the contract. The requirements detailed within the appendix ensure the contractor manage the HR programs to support the DOE mission, promote workforce excellence, champion workforce diversity, achieve effective cost management performance, and comply with applicable laws and regulations.
Advisory services to AMSO for Contractor Human Resources Management will be provided by the ISC in Chicago for functions of Compensation, Benefit and Pension Administration, employee programs, Labor Standards, (Davis-Bacon and Service Contract Act). However, only the Manager/CO can approve any (CHRM) actions to the Contractor.

Contract Modifications{ TC "**Contract Modifications**" \f C \l "1" **}**
The terms and conditions of the contract will require changes and/or updating from time to time, which will constitute the need for a modification to the contract. The CO must issue modifications to the contract. A modification can be administrative (unilateral), can be authorized by contract such as by a

change order (unilateral or bilateral), or can be a supplemental agreement (bilateral). The regulations governing contract modifications are found within FAR Part 43.

There is a standard monthly funding modification issued on a monthly basis. Monthly funding modifications provide obligations in support of individual programmatic areas, including work for others. Administrative modifications are issued on an "as-needed" basis.

Some examples of actions requiring such modifications are changes to FAR or DEAR clauses, costs, the SOW, changes to the listing of applicable DOE directives or Work Smart Standards alternative procedures, standards, and incorporation of new performance plans and/or fees.

Performance-Based Management – Oversight, Evaluation, and Fee Determination{ TC "**Performance-Based Management – Oversight, Evaluation, and Fee Determination**" \f C \l "1" **}**
The current performance-based management approach to oversight within DOE has established a new culture within the Department with emphasis on the customer-supplier partnership between DOE and the Laboratory contractors. It has also placed a greater focus on mission performance, best business practices, cost management, and improved contractor accountability. This performance-based management contract requires the use of performance measures for managing the Laboratory's performance. Specifically, Clause H.12 "Standards of Contractor Performance Evaluation" paragraph (a) states: "…The Contractor will utilize a comprehensive performance-based management approach for overall Laboratory management. The performance-based management approach will include the use of objective performance measures, agreed to in advance of each performance evaluation period, as standards against which the Contractor's overall performance of the scientific technical, operational and managerial mission obligations under this Contract will be assessed."

In addition, Clause H.25 "Performance Based Management and Oversight" further states that performance targets shall be established through the Performance Evaluation and Measurement Plan (PEMP) pursuant to clause H.12 "Standards of Contractor performance Evaluation." Under the performance-based management system, the DOE provides clear direction to the laboratories and develops annual performance plans to assess the contractors performance in meeting that direction in accordance with contract requirements. The DOE policy for implementing performance-based management includes the following guiding principles:

- Performance objectives are established in partnership with

affected organizations and are directly aligned to the DOE strategic goals;
- Resource decisions and budget requests are tied to results; and
- Results are used for management information, establishing accountability, and driving long-term improvements.

The performance-based approach focuses the evaluation of the Contractor's performance against these Performance Goals. Progress against these Goals is measured through the use of a set of Objectives. The success of each Objective will be measured based on a set of Performance Measures, both objective and subjective, that are to focus primarily on end-results or impact and not on processes or activities. Measures provide specific evidence of performance, and collectively, they provide the body of evidence that indicates performance relative to the corresponding Objectives. On occasion however, it may be necessary to include a process/activity-oriented measure when there is a need for the Contractor to develop a system or process that does not currently exist but will be of significant importance to the DOE and the Laboratory when completed or that lead to the desired outcome/result.

The Performance Evaluation and Measurement Plan (PEMP), as developed in accordance with the Guidance for SC Laboratory Performance Appraisal Process and incorporated within Section J, Appendix B of the contract, provides the details regarding the current evaluation criteria, performance reviews/determinations as well as how performance-based fee will be determined. Contract clause "Total Available Fee: Base Fee Amount and Performance Fee Amount," defines how performance-based fee will be implemented for the Laboratory contract.

The SC-wide Laboratory performance evaluation process has standardized the PEMP for all SC Laboratories by utilizing a common set of eight Performance Goals and corresponding Performance Objectives as set forth within the SC guidance mentioned above and documented within the PEMP. The three Performance Goals for Science and Technology and five Management and Operations Goals are as follows:

S&T Performance Goals{ TC "S&T Performance Goals" \f C \l "2" }
1. Provide for Efficient and Effective Mission Accomplishment
2. Provide for Efficient and Effective Design, Fabrication, Construction, and Operation of Facilities
3. Provide for Effective and Efficient Science and Technology Program Management

M&O Performance Goals{ TC "M&O Performance Goals" \f C \l "2" }
4. Provide Sound and Competent Leadership and Stewardship of the Laboratory

5. Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health, and Environmental Protection
6. Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)
7. Sustain Excellence in Operating, Maintaining and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs
8. Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management and Emergency Management Systems

The overall scoring and grading methodology has also been standardized, utilizing the academia grading scheme identified within figure 5-1 below. Grades for each of the eight Performance Goals will be posted on the SC website in the form of a Report Card for the Contractor; however, no combined grade for the overall Contractor performance will be provided.

Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F
Total Score	**4.3-4.1**	**4.0-3.8**	**3.7-3.5**	**3.4-3.1**	**3.0-2.8**	**2.7-2.5**	**2.4-2.1**	**2.0-1.8**	**1.7-1.1**	**1.0-0.8**	**0.7-0**

Figure 5-1 - Contractor Letter Grade Scale

The fee allocation strategy for the Laboratory contract is based on the principle that performance-based fee should be viewed as a benefit to the Government; that if the Contractor performs well, more fee should be earned than if the Contractor did not perform well. This strategy is consistent with contract reform. This principle leads to a strategy of incrementally rewarding exemplary performance rather than incentivizing particular activities and deliverables. Such a strategy transcends a narrow focus on individual outputs and elevates the performance discussion to the level of performance aligned with the overall mission and agenda of the institution. This allocation strategy is to be aligned with the DOE Strategic Plan, the DOE R&D Portfolio, DOE Roadmaps, the SC Strategic Plan, as well as the Strategic Plan for the Laboratory.

Development of the Performance Evaluation and Measurement Plan{ TC "**Development of the Performance Evaluation and Measurement Plan**" \f C \l "1" **}**

The SC Laboratory Performance Goals and their corresponding Performance Objectives provide the framework for evaluation of the Contractor's yearly progress toward meeting the S&T strategic goals for the Laboratory and ensuring the Contractor is managerially and operationally in control, meeting the requirements of the contract. Within this framework, the AMSO; DOE SC-HQ; ISC and the Contractor staff team to develop mutually agreed upon performance measures. The philosophy of partnering, between the customer

[DOE] and its service provider [the Contractor] for the mutual success of the Laboratory is the cornerstone of this process. The AMSO develops the yearly Performance Evaluation and Measurement Plan (PEMP), in close coordination with the ISC to ensure the combination of program office input and individual performance measures together provides assurance that the Contractor is meeting current objectives and continues to make appropriate progress toward meeting the Laboratory's long-term S&T strategic mission in an effective and efficient manner. However, if the DOE and Contractor cannot reach agreement on all the goals, objectives, measures, and targets, the Contracting Officer has the unilateral right to establish reasonable new goals, objectives, measures, and targets and/or modify and/or delete existing goals, objectives, measures, and targets. The Performance Evaluation and Measurement Plan is to be negotiated and approved, in accordance with SC guidance, on or before the beginning of each fiscal year.

The total available fee pool for the term of the contract has been negotiated and approved by both parties and is described within clause "Total Available Fee: Base Fee Amount and Performance Fee Amount". The performance fee is 100% at risk and the amount earned (if any) is determined in accordance with the approved PEMP. In the event the AMSO and the Contractor fail to agree on the measures subject to fee the CO shall make a unilateral decision.

From time to time it may become necessary to adopt changes to the approved Performance Evaluation and Measurement Plan as prevailing scientific, and/or economic factors change. All requests for changes to the PEMP must be completed in accordance with the procedures set forth within the PEMP. Changes are generally required due to events beyond the Contractor's control or changes in Laboratory priorities. The AMSO shall not make changes to the PEMP to relax the requirements due to poor Contractor performance. Under normal circumstances, a change shall not be considered if there are less than 90 calendar days remaining in the performance period. Under no circumstances shall changes be considered if the performance period has past.

Performance Monitoring{ TC "**Performance Monitoring**" \f C \l "1" **} (Daily Oversight)**

In addition to providing direction to the Contractor, "Technical Direction," (described above) the AMSO must continuously monitor Contractor performance in meeting all terms, conditions and expectations set forth within the contract. The AMSO has lead responsibility to monitor the achievement of performance goals and objectives within the PEMP and compliance with all other contract requirements. Oversight is to be achieved in accordance with the AMSO "Standard Operating Procedure"(SOP). All requirements placed on the Contractor must be included or referenced within the contract. Areas requiring ongoing oversight and assessment include but are not limited to:

- Research & Development (R&D)/Services Quality: Delivery or performance of the R&D or services specified in the contract is of the quality specified. The Office of Science Program Office periodically sponsors performance reviews of Ames Research Programs.
- Cost Savings and Efficiencies: Performance that maximizes the benefit of the effort and avoids waste of resources in misdirected effort.
- Timeliness: Performance that is timely.
- Budget: Performance that stays within budget.
- Contract Compliance: Adherence to all terms, conditions, and special requirements in the contract.
- ES&H/Security: Adherence to all Environmental Protection; Public and Worker Safety and Health; and Security terms, conditions and requirements.

AMSO oversight activities should ensure work being conducted by the Contractor is consistent with the established contract and plans, and those applicable requirements (e.g., statutes, Federal, State, and Local Laws/Regulations, DOE Directives, and policies). Oversight does not include controlling the way the Contractor is doing the work, except where imminent environmental, safety, or health hazards have been identified.

Consistent with this definition, but specifically in accordance with FAR 42.302, periodic project, program, or functional surveillances and independent assessments may be performed by AMSO and others to determine the Contractor progress and to identify any factors that may delay performance or adversely be affecting environmental protection or protection of worker health and safety. The CO and other designated staff in support of the CO, shall perform periodic surveillances against established criteria. The AMSO is responsible for determining the extent of surveillances to be performed, to include those conducted by ISC organizations that provide subject matter support and expertise to the AMSO. Oversight activities, including surveillances, may include formal Conduct of Operations reviews or informal observation and review of work activities. AMSO SOP 12 entitled, "Assessment of Laboratory Management Systems", defines roles and responsibilities, methods, and tools for conducting Contractor oversight. Anyone involved in performing oversight activities shall avoid any action that may (1) be inconsistent with any contract requirements, or (2) result in claims or waivers, changes, or other contract modifications:

Direction Resulting from Performance Oversight

As a result of performance oversight activities, it may be determined that additional guidance or direction needs to be provided to the Contractor. This direction should be provided

via the methods described above under “Formal Communications.” In cases of imminent environmental, safety or health hazards, stop work authority may be exercised in accordance with SOP 13 “Emergency Management for Ames Laboratory” Standard Operating Procedure.

Roles in Contract Performance Oversight

Contract oversight is performed by the AMSO with ISC support. AMSO oversight activities serve to ensure the contractor is operating within its work scope. This oversight also includes the Facility Representatives who perform a key role in Contractor oversight. DOE-HQ, the DOE-Inspector General, and others may provide additional oversight assistance at various times. Compliance with applicable Federal, State, and local laws and regulations, and permits and licenses, shall be primarily determined by the cognizant regulatory agency and DOE will primarily rely upon the determination of the external regulators in assessing Contractor compliance in such areas. Oversight performed by individuals outside of the AMSO shall be coordinated with AMSO staff and/or the CO as appropriate.

Methods of Contract Performance Oversight{ TC "**Methods of Contract Performance Oversight**" \f C \l "1" **}**

Oversight is conducted through various means and the methods used depend upon the information needed. It is the AMSO’s desire to conduct oversight in a cost-effective, coordinated, integrated, and efficient manner that is seamless to the Contractor. Many oversight activities are initiated by request from the Contractor for AMSO review and concurrence in or approval of Contractor proposals, plans, and procedures.

Much of the information required to monitor the Contractor performance should be available through regular reporting mechanisms. Confirmation of this data can be made through periodic meetings and reviews, Laboratory visits, one-on-one discussions, observations, assessments, and walkthroughs. Oversight activities can be formal or informal and include telephone, facsimiles, e-mail, written communications, and direct discussions. In addition, physical presence and observation of work is necessary in many instances such as conduct of operations, procedure compliance, and progress verification. AMSO personnel are encouraged to have an active presence and visibility where the work is being performed and to cultivate strong partnerships with their Contractor counterparts. The AMSO staff and management have full, unfettered access to Laboratory information and work areas, following appropriate ES&H and security protocols for each work area. Oversight also includes operational awareness, risk assessment,

performance objectives/measures, self-assessments, annual reviews, and "For Cause" reviews.

Environment, Safety, And Health (ES&H) and Security Protection{ TC "Environment, Safety, And Health (ES&H) and Security Protection" \f C \l "1" }

The protection of the safety and health of all employees, the public, and the environment, as well as the security of DOE assets, shall be paramount throughout performance of the Laboratory contract. This protection is primarily carried out through the Contractor Integrated Safety Management System (ISMS) and Integrated Safeguards and Security Management System (ISSMS), verified and approved by DOE, and adheres to all applicable Laws, Regulations, and DOE Directives set forth within Appendix I of the contract. The AMSO and ISC have the primary oversight responsibility for ES&H, emergency preparedness and the integration of safety and security management throughout all programs/projects for this contract. The Environment, Safety & Health Program, through the CO, has the primary responsibility for ensuring that the Contractor is complying with its DOE-approved ISMS, ISSMS, Safeguards and Security Plan, and other ES&H/Security requirements. DOE Order 226.1, "Implementation of the Department of Energy Oversight Policy" sets forth the expectations for DOE line management ES&H oversight and for the use of Contractor self-assessment programs as the cornerstone for this oversight. The concepts contained within this policy have been adopted by the AMSO, not only for the ES&H arena, but also for the overall performance oversight of this contract.

If a determination is made that the Contractor is not in compliance with the approved ISMS, ISSMS, Safeguards and Security Plan, and/or any other ES&H/Security contract terms and conditions then the Environment, Safety & Health Program Support Team shall notify and work with the CO to take the proper contractual steps to ensure compliance and protection of the Government's interest.

All AMSO employees involved in the performance oversight of this contract shall assist in ensuring all practices include adequate environment, safety, health, and security protection.

Performance Evaluation{ TC "Performance Evaluation" \f C \l "1" }

Evaluations of Contractor performance shall be completed as prescribed within the approved PEMP, as incorporated within Section J, Appendix B of the contract. The rating period for the Laboratory run from fiscal year to fiscal year. To assist the DOE in its evaluation of Contractor performance the Contractor issues its Self-Evaluation Report to the AMSO in October following each fiscal year rating period. This report provides a roll-up of the Contractor self-assessment activities performed throughout the evaluation period. Other information that the AMSO and other reviewers may use to evaluate

Contractor's performance includes daily oversight and DOE "For Cause" reviews.

Daily oversight is defined as the day-to-day interaction between DOE and the Contractor that helps DOE determine how well the Contractor is performing to meet the requirements of the contract (see Performance Monitoring above). Factors influencing the degree for oversight include the nature of the work, the type of contract, and past performance. Some activities constituting an ongoing oversight process include, but are not limited to, operational readiness and preoperational assessments, management and operator walkthroughs, safety analysis reviews, and occurrence reporting.

A "For Cause" review supports oversight activities where review of Contractor operations or performance is required as a result of poor performance or trends indicating the potential for improvement requiring DOE follow-up to protect the Government's interest. Specific reviews may also arise from implementation of new requirements placed on the Contractor, or new, significantly revised Contractor systems, requiring validation. All "For Cause" reviews of the Contractor shall be conducted only after review and approval by the AMSO Manager. The CO shall notify the Contractor in writing before initiating a "For Cause" review.

Additional sources utilized in Contractor evaluations may include outside agency reviews conducted during the rating period (GAO, IG, DCAA, etc.) and independent third party reviews/certifications.

A performance evaluation report is developed by AMSO and issued to the Contractor within the second quarter following the end of the evaluation period. The overall performance against each Performance Objective within the PEMP, to include the evaluation of Performance Measures/Targets identified for each Objective, is to be evaluated jointly by the appropriate HQ office or major customer and the AMSO. This cooperative review methodology will ensure that the overall evaluation of the contractor results in a consolidated DOE position taking into account specific Performance Measures/Targets as well as all additional information not otherwise identified via specific Performance Measures/Targets. The AMSO is to work closely with the DOE Program and DOE HQ staff offices throughout the year in evaluating the Laboratory contractor's performance. The AMSO should provide observations regarding programs and projects as well as other management and operation activities conducted by the Contractor throughout the year. An annual SC Performance Evaluation Meeting with the AMSO Manager, appropriate SC Program ADs, and other DOE HQ representatives or major customers, and the Director of the SC, will be schedule and held following the end of each evaluation period. This meeting will be utilized to review the Contractor's performance within each Performance Goal/Objective and gain consensus on the grades and incentives to be awarded.

(a) Determination of Performance-Based Fee**{ TC "**Determination of Performance-Based Fee**" \f C \l "2" }**

At the conclusion of each specified evaluation period, the AMSO shall evaluate and/or validate the Contractor's performance and determine the total available fee amount earned in accordance with the Appendix B "Performance Evaluation and Measurement Plan" of the contract. A written recommendation of payment of fee, along with documentation gathered during the validation effort, shall be prepared and presented at the annual SC Performance Evaluation Meeting with the AMSO Manager, appropriate SC Program ADs, and other DOE HQ representatives or major customers, and the Director of the Office of Science. SC-1 and HCA concurrence is to be gained prior to final approval by the AMSO Manager of the amount of fee to be awarded.

The lack of Performance Goals, Objectives, Measures, or Targets within a PEMP does not diminish the need for the Laboratory contractor to comply with minimum contractual requirements. Although the Performance Goals and their corresponding Performance Objectives are to be the primary means utilized in determining the contractor's performance grade and/or amount of performance-based fee earned, the Contracting Officer may unilaterally adjust the rating and/or reduce the otherwise earned fee based on the contractor's performance against all contract requirements. Data to support grade and/or fee adjustments may be derived from other sources as described under section Performance Evaluation above.

The adjustment of a grade and/or reduction of otherwise earned fee should be determined by the severity of the performance failure and mitigating factors. Examples of severity of performance and mitigating factors may be found within the policies described in Acquisition Regulation; Conditional Payment of Fee, Profit, and Other Incentives interim final rule published in 58 Fed. Reg. 68771, Dec. 10, 2003.

The final Laboratory contractor performance grades and fee earned will be determined during the annual SC Performance Evaluation Meeting discussed above and contained within the year-end report, documenting the results from the DOE review. The report is to identify areas where performance improvement is necessary and, if required, provide the basis for any grade and/or fee adjustments made from the otherwise earned grades or fee based on

Performance Goal achievements.

The contract clause “Payments and Advances” provides for monthly provisional fee payments to the Contractor. Following the AMSO determination of the total available fee amount earned as stated above, the Contractor is authorized, in writing, by the CO, to withdraw any amount of earned fee over the amount previously paid on a provisional basis from the payments cleared financing agreement (see section Payment for Work Performed below). Contract clause I-120 also provides for the Government to recover previously paid (overpayment) fee, should it be determined that performance was not as high as expected and provisional fees exceeded the final fee award determination.

(b) Contractor Assurance Process

Contract clause entitled “Management Controls” requires the Contractor to submit, on an annual basis, an assurance to the CO, through an officer at a level above the Director of the Laboratory, that the system of management controls is adequate to assure that the objectives of the management system are being accomplished and that the systems and controls are effective and efficient. To facilitate this requirement, the Contractor has developed and implemented a Laboratory Assurance Process. The assurance process shall reflect an understanding of the risks, maintain mechanisms for eliminating or mitigating the risks, and maintain a process to ensure that the management systems and their attendant assurance process (es) to meet contract requirements. The Contractor’s assurance process utilizes a number of methods/processes for ensuring management systems and controls are being effectively and efficiently utilized and that the systems and controls are operating as designed. These methods/processes include, but are not limited to:

- The Contractor Self-Assessment Program;
- Internal Audit Program;
- Integrated ES&H Program;
- Integrated Security Program;
- FMFIA Vulnerability Assessments; and
- Peer Review Program

The Contractor’s assurance process will be utilized by the AMSO as a primary tool to determine if the objectives of the Contractor’s management systems and controls are being accomplished and that the systems and controls are effective and efficient. The utilization of this process will help meet the desired results of this contract to “manage the contract” while

streamlining and improving the efficiency and effectiveness of federal line management, focusing on a systems-based approach to federal oversight with increased reliance on the results obtained from the resources resident within the assurance process.

Of the processes identified above the Contractor utilizes self-assessment as a primary mechanism for evaluating the overall effectiveness of its integrated management systems and to promote continuous improvement. A key to the performance-based management and evaluation process employed by the AMSO is the utilization of self-assessment as a key tool for evaluation of the Contractor's management systems and controls. Self-assessment plans are to be developed and maintained by the directorate/management system owner, in cooperation with both their internal and external (AMSO, HQ, or other) counterparts. These plans cover all aspects of the management and operations of the Laboratory to include, but not limited to, mission areas; ES&H; safeguards and security; facility operations; financial management and cost control; procurement; and human resources. The AMSO is to work with their Contractor counterparts throughout each year to track, verify, and validate the progress of the Performance Goals and Objectives set forth within the PEMP discussed above and the system self-assessment plans.
Payment for Work Performed

A special payments-cleared financing arrangement is used by the Contractor for allowable costs and fee associated with the work performed. Funds are provided by the Federal Reserve Bank through a Banking Agreement (Section J, Appendix C) to cover the Contractor's costs. Annually, the Contractor certifies a Statement of Costs Incurred and Claimed as set forth within the contract clause "Payments and Advances."

Closeout{ TC "**Closeout**" \f C \l "1" **}**
Once the contract is completed, the AMSO and the Contractor will enter into the closeout phase. This formal process establishes the final conditions surrounding the Contractor's performance of the contract. The close-out conditions listed below is not meant to be inclusive of all necessary actions but only providing an informational emphasis of what would be involved in closing out Ames Laboratory's Contract:

- The status of Government property that the Contractor was responsible for and the Laboratory clearance of that property which has or shall be disposed.
- A list of Post-Contract Liabilities (e.g., the sum total of liabilities for Contractor employees and their beneficiaries) including a strategy for dealing with these liabilities.
- Reconciliation of funding, and settlement of final indirect cost rates and factors.

- Resolution of unresolved claims made against the Contractor and AMSO, and final settlement of subcontracts.
- Resolution of performance evaluations and fee determination/payment, release of the Government from continuing liabilities, and other legal, technical and programmatic activities needed to end the contracting relationship.
- Transition to a successor contractor, if applicable. In accordance with Clause I.56 – Continuity of Services, the Contractor recognizes that the services under this contract are vital to the Government and must be continued without interruption and that, upon contract expiration, a successor, either the Government or another Contractor, may continue them. The Contractor agrees to furnish phase-in training, and exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

In order to accomplish the closeout of the contract, effort by a number of DOE HQ, AMSO, and ISC organizations will be necessary and are to be committed to the effort as needed.